

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1127-01
Bill No.: HB 863
Subject: Auditor; State; State Departments; General Assembly
Type: Original
Date: April 10, 2013

Bill Summary: This proposal requires the State Auditor to perform, on a one-time basis, a comparative audit of at least 5, but no more than 10, of the largest state agencies and of each chamber of the General Assembly.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	(\$100,000 to \$300,000)	\$0	\$0
Total Estimated Net Effect on General Revenue Fund	(\$100,000 to \$300,000)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Auditor (SAU)** state it is estimated the additional required duties in relation to this bill would require 2 FTE, 1 at the Staff Auditor I and 1 at the Senior Auditor I level if the State Auditor's office were to perform these audits. However, the SAU is providing an estimate of the cost to contract this audit out to a CPA firm, assuming additional funding is appropriated for the contracted work. The estimated cost for this contracted work would be between \$100,000 and \$300,000.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
GENERAL REVENUE FUND			
<u>Costs - SAU</u>			
Contract costs for comparative audit	(\$100,000 to <u>\$300,000</u>)	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	(\$100,000 to <u>\$300,000</u>)	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This proposal requires the State Auditor to perform, on a one-time basis, a comparative audit of at least five, but no more than 10, of the largest state agencies and a comparative audit of each chamber of the General Assembly by August 28, 2015. The auditor must develop criteria for fiscal responsibility that are applicable to all agencies regardless of their statutory, legal, or programmatic mandates. The criteria must conform with the provisions of applicable law and the standards for auditing of governmental organizations, programs, activities, and functions established by the Comptroller General of the United States. Upon completion of the audit, the auditor must submit a report of the findings and recommendations to the General Assembly, all statewide elected officials, the Office of Administration, and all state departments. The report must contain recommendations, including the optimal fiscal practices to be promoted across all state agencies and efficiency or cost saving measures, and recommended changes to agency policy or state law that could reduce the amount of government spending.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the State Auditor



Ross Strobe
Acting Director
April 10, 2013